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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

March 14, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.:08OD-004

OAHU

Conveyance of State Land to the Hawaii Housing Finance and Development Corporation and Amend Prior Board Action of September 24, 2004, Under Agenda Item D-14, East Kapolei, Honouliuli, Ewa, Oahu, Tax Map Key: (1) 9-1-17: Portion of 71

APPLICANT:

The Hawaii Housing Finance and Development Corporation (HHFDC).

LEGAL REFERENCE:

Section 171-95(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Lot 10079, Map 765, Land Court Application 1069, situate at Honouliuli, Ewa, Oahu, identified by Tax Map Key: (1) 9-1-17: Portion of 71, as shown on the attached map labeled Exhibit A.

AREA:

17.783 acres, subject to confirmation by the Department of Accounting and General Services, Survey Division.

ZONING:

State Land Use District:	Urban
City and County of Honolulu CZO:	Ag-1, Restricted Agriculture

TRUST LAND STATUS:

Non-ceded. Government land acquired after statehood from the Estate of James Campbell, Deceased (Campbell Estate), by Final Order of Condemnation, dated August 22, 1994, under Civil No. 90-1704-06 filed in the Circuit Court of the First Circuit.

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

The 17.783-acre site is currently encumbered by Revocable Permit No. S-7152 issued to Aloun Farm, Inc., on September 20, 2001, for

agricultural purposes.

The permit was issued with the understanding that certain state agencies were planning to develop the permit's area in the future and the permit would be canceled when those agencies were ready to proceed with their projects.

CONSIDERATION:

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CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This request before the Board to transfer the ownership of State land is an administrative action and does not constitute a use of State land or State funds, and therefore, is exempt from the provisions of Chapter 343 Hawaii Revised Statutes (HRS), as amended. Inasmuch as the Chapter 343 environmental requirements apply to the Applicant's use of the land, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended.

APPLICANT REQUIREMENTS:

Applicant shall be required to provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost.

REMARKS:

The 17.783 acres requested by HHFDC are a portion of the 318 acres approved by the Board for conveyance to the Department of Hawaiian Home Lands (DHHL) at its September 24, 2004 meeting, under agenda item D-14. By letter dated January 24, 2008, DHHL acknowledged the request by HHFDC for this 17.783-acre site and indicated that it supports the development of affordable rental units on the site.

DHHL is the lead agency in the processing of 318 acres of State lands at East Kapolei for subdivision approval under a Joint Development Agreement through the City and County of Honolulu (CCH). Subsequent to the approval by CCH, DHHL will petition the Land Court of the State of Hawaii for its approval of the subdivision affecting Land Court Application 1069.

The subdivision will consist of the following developments:

- An elementary School site to be set-aside to the Department of Education.
- A middle school site to be set-aside to the Department of Education.
- The Ray and Joan Kroc Community Center to be developed by the Salvation Army.
- Affordable housing to be developed by HHFDC.

- Housing for native Hawaiians to be developed by DHHL.
- Portion of an East/West Road through the subdivision.

HHFDC, in its capacity as the Master Developer, successfully developed the eight Villages of Kapolei on 887 acres of State land acquired from the Campbell Estate. HHFDC was also the agency that petitioned the State Land Use Commission to amend the designated land use of the 1,300 acres of State land at Kapolei, known as the State Land Bank Golden Triangle, from the agricultural district to the urban district. Subsequently, HHFDC master planned the 1,300 acres.

HHFDC's master plan for the 1,300 acres includes uses such as business/commercial, single-family and multi-family housing, parks/recreation and education.

Under the Joint Development Agreement's subdivision plan, HHFDC is shown as having a 19.720-acre lot and a 17.783-acre lot.

A request for proposals was issued last year by HHFDC to develop the 17.783-acre lot. A proposal by The Mutual Housing Association of Hawaii, Inc. (MHAH) to develop 300 affordable rental units on the 17.783-acre lot was selected by HHFDC. On November 8, 2007, the HHFDC Board of Directors approved the selection of MHAH. Accordingly, the fee simple conveyance of the 17.783-acre lot to HHFDC would be in order.

RECOMMENDATION:

That the Board, subject to the Applicant fulfilling all of the Applicant requirements listed above:

1. Authorize the conveyance of the 17.783-acre site at East Kapolei II under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - a. The standard terms and conditions of the most current quitclaim deed form, as may be amended from time to time.
 - b. The 17.783-acre site shall be conveyed as is.
 - c. Review and approval by the Department of the Attorney General.
 - d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

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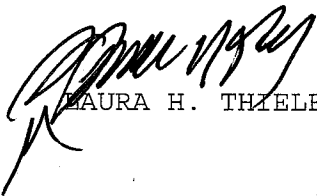
2. Amend prior action of September 24, 2004, agenda item D-14, under RECOMMENDATION 1 and 2 by reducing the 318-acre conveyance to DHHL by 17.783 acres. Except as amended herein all other terms and conditions contained in agenda item D-14 shall apply.

Respectfully Submitted,



Gary Martin, Land Agent

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN, Chairperson



